

March 8, 2001

Honorable Norman K. Ferguson, Senate Chair
Honorable William R. Savage, House Chair
Joint Standing Committee on Utilities and Energy
115 State House Station
Augusta, ME 04333

Re: LD 930, An Act Authorizing the Public Utilities Commission to Award
Restitution to Customers Damaged by Inferior Utility Service

The Commission will testify in opposition of LD 930, An Act Authorizing the Public Utilities Commission to Award Restitution to Customers Damaged by Inferior Utility Service. The Commission will be present at the work session and will be pleased to work with the Committee as it considers this bill.

LD 930 would authorize the Commission to award damages or other restitution to a person when the Commission finds that the utility caused damage to that person. The bill sets forth a procedure for investigating allegations of damage and sets a cap on the level of damages that the Commission may award. The bill does not limit the issues for which damage can be caused, so apparently the bill covers damage for such things as personal injury, property, possessions, and lost income.

This bill would add a significant requirement in new skills and time to the Commission's responsibilities. We currently have no expertise in assessing the monetary value of damages. Based on our admittedly limited knowledge of Small Claims Court procedures, we believe that claims cases would be time-consuming and contentious, even at the limited monetary level imposed by this bill. We believe that, if this bill is passed, we will find it necessary to hire a staff person with the expertise required to assess damage levels.

We see no reason why the District Court is not the appropriate forum for small claims cases involving utilities, as it is for all other such cases. That Court has the expertise to determine when conduct is unreasonable as a matter of tort law, when the connection between the conduct and the loss is sufficient to warrant compensation, and how damages should be assessed. Indeed, the District Court uses a mandatory mediation process for small claims cases, which strikes us as ideal for disputes of this nature. To the extent that the Commission may have issued an order that is relevant to one of these cases, the District Court is free to consider it in rendering its judgment.

For these reasons, we urge the Committee to vote out LD 930 as “ought not to pass.” If you have any questions, please contact me.

Sincerely,

Marjorie R. McLaughlin
Legislative Liaison